



CALPEEK

CALIFORNIA POLITICAL WEEK

P.O. BOX 1468, BEVERLY HILLS, CA 90213 (310)659-0205 FAX(310)657-4340
Dick Rosengarten, Publisher E-Mail calpeek@aol.com

VOL. XX
No. 27

JULY 13, 1998

CAMPAIGN '98: BATTLELINES FORMING FOR FIGHT OVER TOBACCO TAX TO AID PROGRAMS FOR KIDS.

Editor's note: The last initiative to qualify for the Nov. 3rd ballot is the one to fund early childhood development and child care programs. Here's our first look at this measure...

...The key sponsor and financial backer of this initiative is actor/director Rob Reiner. The initiative is called the Calif. Children and Families Act of 1998. And in fact Reiner has a nationwide organization which goes by the same name and promotes this same agenda...

...If approved, this measure would provide \$700 million per year - from a 50 cent hike in cigarette taxes, with the money going to a variety of programs. Among those items listed by the proponents: provide funds to existing programs focusing on parenting education & family support services; prenatal & postnatal maternal & infant nutrition services; childhood immunizations; domestic violence intervention --- to name a few...

...Oversight will be done by a 7-member commission (appointed by governor, Senate Rules & Assembly Speaker). The funds from the additional surtax on cigarettes will be put in a special account. Spending is based on a rather complex formula and Prop. 99 and the breast cancer fund get first priority --- because it's possible this initiative may take funds away from these existing programs which also are funded with cigarette tax revenue...

...The campaign doesn't have a formal name and just goes by Calif. Children & Families Initiative. The original name was Calif. Children & Families First Initiative, but the First was dropped. Former Assemblyman Mike Roos(D) is the initiative director; Orange Co.-based Forde & Mollrich are the lead consultants;

and Rogers & Associates is handling free media. Former Congressman Michael Huffington is listed as a co-chair. No websites or campaign phones as yet for either side...

...The NO side seems slightly better organized at this early stage. The opposition's formal name is the Committee Against Unfair Taxes. Savvy consultant Joe Shumate is the lead strategist, with Trippi, McMahon & Squier handling media/tv; DC-based Schroth & Assoc. will handle polling, along with Jan Van Lohuizen. The Sacto office of Stoorza, Ziegaus will do coalition building & free media. Make no mistake, the tobacco companies will pump in millions to defeat this measure. In addition to the unfair tax argument, the NO side says the State already spends \$2 billion annually on early childhood programs. But the biggest problem facing the YES side is the possible loss in revenue if this measure is approved. The NO side estimates that \$300 million per year in current cigarette sales will be lost to neighboring States, Mexico and to smuggling activity. Stay tuned...

CAMPAIGN '98: SANCHEZ VS. DORNAN - ROUND 2.

Editor's note: The rematch between confrontational former Congressman Bob Dornan(R) and the woman who took his place in the U.S. House of Representatives, Demo Loretta Sanchez of Santa Ana, promises to be one of the most closely watched House races of the '98 election cycle. It also will be one of the most expensive races. Sanchez won by just 984 votes in 1996 and it took many months for the U.S. House to finally declared her the winner because of a costly legal challenge by Dornan based on his claim that he lost due to illegal immigrant registration and voting. Here's our update & analysis...

...The bitterness between the Dornan and Sanchez

CALIFORNIA POLITICAL WEEK (ISSN 0195-6175) IS AN INDEPENDENT, NONPARTISAN NEWS ANALYSIS BULLETIN OF CALIFORNIA POLITICAL WEEK, INC., A CALIFORNIA CORPORATION. TELEPHONE: (310)659-0205. ADDRESS: P.O. BOX 1468, BEVERLY HILLS, CA 90213. \$90/YEAR. PUBLISHED WEEKLY, 44 WEEKS PER YEAR. COPYRIGHTED BY CALIFORNIA POLITICAL WEEK, INC. THIS TRADEMARK REGISTERED WITH THE CALIF. SECRETARY OF STATE. REPRODUCTION IN WHOLE OR IN PART REQUIRES EXPRESS PERMISSION. ALL RIGHTS RESERVED. 1ST CLASS POSTAGE PAID AT LOS ANGELES.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

camp is still there. Dornan wanted this rematch more than anything else - to vindicate what he'd been saying these past two years: that he'd been robbed by illegal voting...

...But Dornan wasn't the first choice of Orange County GOP establishment. That honor belonged to family law attorney Lisa Hughes. In fact, many GOPers who supported Hughes felt that if Dornan were the nominee, he'd be defeated by Sanchez and might even drag Assemblyman Jim Morrissey(R) down too -- and perhaps even hurt the entire GOP ticket in Orange Co. And these GOP sources are still very worried about Orange Co., because it's no secret that Demos will use Dornan as a *political punching bag & poster boy*...

...The '98 primary itself was very bitter on the GOP side and evidence of that bitterness still lingers. A Dornan source told **Calpeek**, "Hughes thought she was in a divorce court. Had she won, Sanchez would have been reelected." Not the kind of unifying words Orange Co. GOPers would like to hear. Even more troubling to the GOP was Dornan's recent attack on House Speaker Newt Gingrich. He said Gingrich was a "disaster for the Republicans." Despite those comments, Gingrich says he'll support Dornan in the fall and Dornan now seems to be in a *kiss & make up* mode...

...As for the mechanics of the Dornan campaign, the former congressman has one of the best direct mail fundraising lists around, but it's very costly. As of May 13, Dornan had raised \$1.85 million --- and spent \$1.9 million, with nearly \$70,000 COH. Sanchez had COH of \$1.05 million - one of the larger war chests in the country. Dornan's plan is simple: attack Sanchez in the mail and with free media. He may use some tv too. He has about 4-5 spots which one can see on his website: www.bobdornan.com. Does Dornan have a wish for the fall? You bet: he would like to debate Sanchez. Although Dornan's camp admits they took their lumps in '96 from Latino voters, a source in the campaign predicts Latinos "will put us back in office because we represent their family values."...

...As for Sanchez, she's hired The Campaign Group (Bill Wachob) for tv/strategy; Andrew Kennedy will handle mail; Peter Feld of Global Strategies will do polling. Daily management will be done by Stuart Durst. It's a savvy group and it's *not likely* they will

agree to any debates with Dornan. Debates don't fit with Sanchez's style and one must remember Dornan is *the master* at this kind of campaigning...

...FYI: Demo registration is down since October of '96. Registration in the 46th CD stands at 44.79% Demo vs. 38.19% GOP. In '96, Democratic registration was at 46.50%. Sources tell **Calpeek** that Sanchez has joined forces with Assembly Democrats to fund a registration drive by S.F.-based *Neighbor-to-Neighbor* and the SW Voter Registration Project. In addition, the Sierra Club has its own independent registration effort underway in O.C. Stay tuned...

CAMPAIGN '98: THE CONTROVERSY IN THE 20TH S.D. BETWEEN ALARCON & KATZ WON'T GO AWAY.

Editor's note: The brouhaha surrounding the bitter 20th Senate District primary between former Demo Assembly Leader Richard Katz and L.A. Councilman Richard Alarcon won't go away. Alarcon won the primary by 29 votes, but Katz has requested a recount and has filed a lawsuit. Here's our update & commentary...

...It's not likely that a recount will change the results, but who knows. With only 29 votes between them, Katz has to go for it - and who can blame him...

...But this bitter primary, with the now infamous hit mailer by Alarcon wrongly linking Katz to the 1988 ***poll guard incident*** in Orange Co., just won't disappear, much to the displeasure of Demo Senate Leader John Burton, who is not happy with Katz for keeping this controversy alive and for refusing to accept Alarcon's apology. Burton & Alarcon, as well as other Demo leaders, just want to move on. But that's not going to happen --- not just yet...

...The problem is that at first Alarcon issued some very contradictory statements about who authorized, wrote and paid for this highly inflammatory and totally untrue mailer. It's now known that State Sen. Richard Polanco(D), who was a key financial backer to Alarcon's campaign, bankrolled the hit piece for about \$16,000+. The author was Alarcon campaign consultant Richie Ross and the mailer went to 18,000 newly registered Hispanic surnamed voters just days before the primary. Alarcon continues to say he never knew in advance about the content of the hit mailer...

...But here is the big question: Would Alarcon have won without this mailer? We'll really never know, but some Katz supporters say that during the final weeks of the primary, Alarcon blitzed likely Demo voters with mail - a dozen pieces to just 3 or 4 for Katz. In addition, Alarcon had assembled a massive GOTV effort for election day. In other words, whatever advantage Katz might have had at the beginning was disappearing quickly. But our sources in Sacto say that Ross has never been one to rely on a ground operation. "Given mail or GOTV, Richie prefers mail," one source told **Calpeek**. The hit mailer was "insurance."...

...As for the vicious nature of Ross's hit mailer (which Richie has apologized for), it's no secret that there's no real love lost between Ross and Katz. But what's really sad about this whole incident is that it comes at a very bad time. There have been *tensions* as of late in L.A. Co. between Latino and Jewish political leaders, arising out of budgetary disputes at the county level and because of an initiative by L.A. Co. Sup. Zev Yaroslavsky to halt construction of the costly subway system after the tunneling to North Hollywood is finished. If approved Nov. 3rd, the subway will *never* reach East L.A. and Eastside leaders aren't thrilled with this prospect. The Alarcon vs. Katz brouhaha just threw gasoline on an already smoldering situation - but one which might be defused with time because the *political relationship* between Jews & Latinos has been very positive over the years...

...As for an acceptable apology, Alarcon should just take full and complete responsibility. "It's my fault, it shouldn't have happened and I am sorry." No excuses. None of this *he hit me too* stuff. And if this is done, Katz should accept the apology. Katz's bitterness won't disappear right away, but time is a healer. Stay tuned...

ALTHOUGH SUSAN McDUGAL IS SUPPOSED TO GO TO TRIAL IN L.A. ON JULY 13th, DON'T COUNT ON IT.

Editor's note: Just in case you love high profile trials, the Susan McDougal trial on charges unrelated to Whitewater are supposed to start July 13 in L.A. Superior Court. **However**, sources say McDougal attorney Mark Geragos will ask for a continuance because McDougal is under "house arrest" in Arkansas for another 2+ months in connection with her fraud and conspiracy conviction arising out of the Whitewater

probe by Special Prosecutor Kenneth Starr. But here's an update anyway...

...The Calif. case against McDougal are multiple counts stemming from her employment from 1988-92 with conductor Zubin Mehta and his wife Nancy. The Sept. 29, 1993, charge against McDougal includes allegations of embezzlement (\$150,000); 2 counts of credit card fraud; check forgery; grand theft of personal property; and multiple charges of failure to file State income tax. This case was filed *long before* McDougal was indicted on Whitewater related charges. She denies any wrongdoing. Some of what will surface in the upcoming L.A. trial is contained in the Sept. 1997 edition of George. It's well worth reading for background - especially the stuff about Nancy Mehta's relationship to McDougal...

...The case is interesting because of the *political implications* - for both McDougal as well as L.A. County DA Gil Garcetti. A win by Garcetti in this high profile case would deal a serious blow to McDougal and her efforts to vindicate herself in the eyes of the public. A win by McDougal might do lots of harm to Garcetti, because L.A.'s well-healed liberal community tends to think of McDougal as this *helpless* girl who won't turn on Pres. Bill Clinton vs. the big bad Special Prosecutor. And the spin works because Starr is his own worst enemy...

...But the only real connection to Starr in this case is the McDougal spin (rebutted by the L.A. DA's office), which says Starr offered Susan global immunity (including dismissal of the Mehta case) if she would offer useful testimony against Pres. Clinton. In addition, the McDougal legal team claims that Deputy DA Jeff Se-mow has received legal help on this case from Starr's office. Very interesting. Stay tuned...

CAMPAIGN '98: UPDATE ON STATEWIDE CONTESTS.

Editor's note: Here's a brief update on some recent campaign activity and developments...

☒ **Governor's Race** - In addition to all the talk about the budget, the other key topic of political conservation is the recent L.A. Times series about the investigation into alleged wrongdoings at Corcoran State Prison, a facility which houses 5,030 prisoners, including Charles Manson. The allegation is that two State probes, one by Gov. Pete Wilson and another by AG Dan Lungren,

resulted in what the *LAT* called a *whitewash* - with neither investigation looking at the 7 deaths or other serious problems. Not a good story for *Lame Duck Pete* or *Lungren*. Not a good story either for the prison guard union, *CCPOA*. FYI: a new poll for *Demo Gray Davis* by *Fairbank, Maslin, Maullin & Assoc.* puts *Davis* at **51%** vs. **36%** for *Lungren*...

☒ **AG's Race** - In our June 29th issue we said that GOP AG candidate *Dave Stirling* would try to patch things up with the other GOP AG candidate, Orange Co. DA *Mike Capizzi*. *Stirling* had the opportunity to reach out to *Capizzi* and many of his supporters at a recent *CA District Attorneys Assn.* meeting in *Tahoe*, but *Stirling* blew it. In his speech to the DAs, not once did *Stirling* mention *Capizzi* or even acknowledge that he was present. *Demo AG* candidate *Bill Lockyer*, a more seasoned politician, not only acknowledged *Capizzi* in his speech, but said point blank, "Capizzi was the only true prosecutor in the primary." That went over well with the DAs, even the GOP DAs. And the buzz among DAs is that *Lockyer* might offer *Capizzi* the #2 spot at the DOJ if he's elected. FYI: The CDAA has agreed to sponsor 1 or 2 debates this fall (1 for sure) between *Lockyer & Stirling*...

DOG DAYS OF SUMMER: POLITICAL SHORT TAKES.

Editor's note: Here are a few political items worth noting...

■ **No Link Between Governor & LG** - Just for the record, the State Senate June 25th rejected *SCA 15* by State Sen. *John Lewis*(R-Orange Co.), which would have required the candidates for governor and LG to run as a team. *SCA 15* went down 17-16, 10 votes shy of a 2/3rds requirement...

■ **Ask Roy Romer** - Colorado Gov. *Roy Romer*(D), who also happens to be chair of the *Demo Nat'l Cmt.*, will give his spin on *Campaign '98*, 11:45 a.m., July 16, at the offices of the Commonwealth Club of CA. For info ☎(415)597-6705...

■ **L.A. Co. Sheriff Election Update** - Defeated L.A. Co. Sheriff's Sgt. *Patrick Gomez* has endorsed former Sheriff's chief *Lee Baca*. *Gomez* got 12% of the vote. It's not considered a key endorsement. No word yet on what retired Sheriff's chief *Bill Baker* will do. FYI:

L.A. Co. Sheriff *Sherman Block* has amicably parted with his campaign consultant, *The Kamber Group*. Also split: *Baca* and his fundraising team of *Pat Bradford & Brian Rix*...

■ **For Cyber Pol Buffs** - The new website for *The Coalition Against Unregulated Gambling* (NO on Tribal Gaming Initiative) is *www.bad4cal.org*...

NEW JOBS, ADDRESSES AND PERSONNEL NOTICES.

Editor's note: Here are some items to mark down in your notebook. We've got a ton of these notes in our file...

● A sad note: *Kathy Hubert*, 51, who worked with *Larry Levine & Associates* over the past 24 years on the *Voter Information Guide* slate, died June 29 of cancer. In the 1970s she was treasurer of the *Ventura Co. Demo Central Cmt.* R.I.P...

● State Sen. *Diane E. Watson*(D-L.A.) has been nominated as U.S. Ambassador to the Federated States of Micronesia by President Clinton. This nomination has been in the works for a long time...

● Former Assemblyman *Louis Caldera*, who went to work as COO for the Corp. for Nat'l Service, has been confirmed as Secretary of the Army. *Caldera* is a West Point grad...

CALPEEK'S MARKETPLACE NETWORK

● **Jr. Account Executive** - Good writer, able to work with community organizations, good people skills, team player and able to travel. One to three years experience required. Small public affairs firm located in Irvine, CA. Applications and writing samples by mail only. Salary based on experience. Send resume, references and writing samples to: 2081 Business Center Drive, #190, Irvine, CA 92612. No phone calls...

CALPEEK's Marketplace Network is a listing of employer and employee availabilities for those engaged in campaign consulting, public affairs, public relations, government relations and legislative advocacy. The cost for each listing is \$25 for up to 40 words. **70 word maximum**. Add \$5 for each additional 10 words. Send ad copy with payment (*no invoicing*) to CALPEEK, Attn: Marketplace Network, P.O. Box 1468, Beverly Hills, CA 90213. For info ☎(310)659-0205...